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SUBJECT: RULING ON GUANTANAMO; MEXICAN ELECTIONS; WTO; KIRCHNER TO VENEZUELA; US-PERUVIAN FTA; INDIA; US SURVEILLANCE OF BANKS; MIDDLE EAST; FULBRIGHT PROGRAM 07/03/06;BUENOS AIRES

1. SUMMARY STATEMENT

Weekend international stories include the US media reaction to the US Supreme Court's ruling on Guantanamo; the implications of the Mexican election; Argentine President Kirchner's trip to Venezuela; the US-Peruvian FTA; US-Indian ties; alleged USG surveillance of banks in Argentina; the situation in the Middle East; and the Fulbright Program.

2. OPINION PIECES AND KEY STORIES

- "US media praise the ruling on Guantanamo"

Ana Baron, Washington-based correspondent for daily-of-record "La Nacion," writes (07/01) "By invalidating Guantanamo military courts, the US Supreme Court of Justice made it clear that it is no longer willing to be a 'puppet' of the Bush administration. While the ruling did not deem indefinite arrests in the Cuba base to be illegal, no one expected a court of predominately Republican members to dare inflict such a blow to US President Bush's post-September 11 anti-terrorist strategy.

"Yesterday, the most influential newspapers 'The New York Times' and 'The Washington Post' applauded the US Supreme Court's independent criterion."

- "Why are Mexican elections crucial"

Centrist newspaper "Perfil" carries an opinion piece by prestigious political columnist Rosendo Fraga, who opines (07/02) "The significance of the Mexican presidential election is one related to the US... Calderon's victory signifies continuity for Washington and possible deepening of NAFTA's integration policy...

"On the other hand, Lopez Obrador's victory, whose political party opposes NAFTA... expressed doubts as to the prospects for integration plans. Mexico is one-third of Latin America, but for Washington it represents two-thirds, in economic, migration and political terms.

"The secondary importance of these elections is regional and it is related to the impact of the Hugo Chavez political phenomenon in the sub-hemisphere. While Lopez Obrador has distanced himself from the Venezuelan president and Chavez has avoided making public statements in his favor, the victory of the PRD candidate would generally confirm the tilt to the center-to-left wing or populism in the region... Instead, a victory of Calderon would reveal that Chavez' aspirations for leadership do have a limit."

- "Mexico - elections no longer involve passion"

Oscar Raul Cardoso, international analyst of leading "Clarín," writes (07/03) "... The idea that the Mexican future is a problem for US interests rather than for Latin America is generally accepted. Even with their differences the last three presidents, Carlos Salinas de Gortari, Ernesto Zedillo and Vicente Fox all believed that Mexico's luck is directly related to Washington.

"... If one had to choose Mexico's single most important historical development of the latest 25 years it would have to be the support for the FTA...

"The FTA has its domestic parallel in the Mexican power structure... The Mexican economic power is wedged between the order imposed by Washington and the unlimited greed of some powerful groups.

"... In this framework, the harassment of the FTA and domestic groups make it so that even Lopez Obrador's future actions become limited. However, it is also true that Mexican patience with the economic model has worn out, just as it has in other Latin American societies, and this too can be an issue for the winner of Mexican elections."

- "Lopez Obrador, between Lula and Kirchner"

Daily-of-record "La Nación" carries an opinion piece by contributor Andres Oppenheimer, who writes (07/01) "... If Lopez Obrador wins, he will not be a Chavez. He will most likely be a combination of Brazilian President Lula and Argentine President Kirchner. He will embody Lula's economic pragmatism and Kirchner's mercurial temperament.

"The good news is that Lopez Obrador would add Mexico to the increasing number of countries in the region with governments led by a 'reasonably responsible' left wing... The bad news is that being 'reasonably responsible' in a world in which China, India, and

Eastern Europe are attracting Wall Street, while increasing at spectacular rates, is no longer enough to win new investment, create lasting jobs or drastically reduce poverty."

- "The WTO fails and the (Argentine) Government prioritizes bilateral deals"

Business-financial "El Cronista" (07/03) reports "Multilateral negotiations that were held to eradicate the wealthy countries' agricultural protectionism suffered from stagnation during the last weekend and will be resumed full steam within two years, as long as the WTO does not lose its role as arbiter in the international exchange of goods and services.

"The 60 ministers who had traveled to Geneva in order to discuss the issue had to leave on Saturday one day before they were scheduled to depart, empty-handed and blaming each other for the failure of the meeting."

- "Kirchner seeks to broaden deals with Venezuela"

Business-financial, center-right "InfoBae" reports (07/03) "Today, President Nestor Kirchner will travel to Venezuela to hold an extraordinary Mercosur session, in which Venezuela's entry into Mercosur will be formalized.

"However, the president's visit will also have a bilateral dimension. Both presidents will attempt to increase trade deals focused on industrial development.

"The agenda will also include the possibility of increasing financing from the Venezuelan government."

- "Peru ratifies free trade pact with the US"

Liberal, English-language "Buenos Aires Herald's" "World Trade" supplement reports (07/03) "Congress overwhelmingly voted to ratify a free trade pact with the US early Wednesday, rejecting claims the treaty will hurt Peru's farmers by flooding the Andean nation with subsidized cotton, rice, corn and potatoes.

"Lawmakers voted 79-14, with six abstentions, to approve the deal, which the outgoing government of President Alejandro Toledo reached with Washington late last year."

- "India's 'special circumstances'"

Liberal, English-language "Buenos Aires Herald" carries an opinion piece by contributor Gwynne Dyer, who opines (07/03) "'The deal we made with India was under special circumstances,' said US Secretary of State Condoleezza Rice in Pakistan on 28 June, dodging a question about why Washington is absolving India of its nuclear sins while leaving its old ally Pakistan unshriven. After all, India and Pakistan both tested their nuclear weapons in the same month in 1998. What did Rice mean, 'special circumstances'?"

"She meant that India is the US' new ally in the region, and much more important in US strategy nowadays than Pakistan. The military agreement signed by India and the US in June of last year is the 'special circumstances' that make it necessary to exempt India from US-anti-proliferation law. The new alliance will be crippled if it doesn't, so the Bush administration also signed a nuclear deal with India last July and promised to push it through Congress."

- "USG suspected of spying on local banks"

Marcelo Bonelli, economic columnist of leading "Clarín," writes (07/02) "Some foreign and national banks having activities in the local financial system have reportedly been spied on by the US intelligence services."

"The operation involved the banking movements of the customers of those banks, wire transfers, and particularly phone-banking transactions."

"... Reportedly, the operation was made within the framework of the White House anti-terrorist program. It was intended for spying on international financial transactions without a judicial order."

13. EDITORIALS

- "Mexico will choose its president"

An editorial in conservative "La Prensa" reports (07/03) "Today, some 71 million Mexicans will vote for their new president... Poorly implemented free-market reforms have been destructive in the

hemisphere, they were never able to reorganize societies on freedom and the rule of law or a truly capitalistic system."

"However, Lopez Obrador will not give any advantage to his compatriots by scaring away investment, confronting Washington to improve his domestic image, or destroying the monumental opening and transformation of the Mexican economy that is now one of the most dynamic economies of the hemisphere, even surpassing Brazil. A humanitarian liberalism should be implemented... Whoever wins, will create an ideal opportunity for Argentina to rebuild diplomatic ties, which were weakened in the Mar del Plata Summit of the Americas."

- "Intransigence leads to war"

Leading "Clarín" editorializes (07/03) "The Israeli attack against the Gaza Strip is one more step in an escalation of violence that could very well unleash a humanitarian tragedy and an overall conflict, if the involved parties do not agree to negotiations."

"... All calls for cautiousness and negotiation will not have an impact while the parties refuse to get involved in some form of negotiation... If this does not happen, the state of war will continue and the Palestinians will suffer the greatest."

- "Fulbright scholarships, 50 years later"

Daily-of-record "La Nación" editorializes (07/03) "The legislation creating the Fulbright Program was approved in 1946, but the reasons why it was passed remain intact..."

Under approval of this legislation, some 300,000 scholars have received support; they have traveled around the world and exchanged deep and rich experience. Among them, there are 35 Nobel award laureates.

"... One knows how many misinterpretations and international conflicts have arisen when people do not learn how to live together and accept the culture of others in peace. This is why this praise-worthy task has contributed to the building of a fairer world that has more harmony and solidarity."

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GUTIERREZ